



Foreign Agricultural Service

GAIN Report

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Philippines

Oilseeds and Products

Copra and Copra Products PSD Update

2003

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Report Highlights:

Copra production in MY02/03 will decline from the previous year but is expected to increase in MY03/04 as stressed coconut trees recover. Copra, copra meal and coconut oil exports are also expected to decline in MY02/03 but will likely increase the following year mainly due to improved copra supply and increased copra crush.

Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Manila [RP1], RP

PSD Table						
Country	Philippines					
Commodity	Oilseed, Copra		(1000 HA)(1000 TREES)(1000 MT)			
	Revised	2001	Prelim	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	3150	3145	3150	3140	0	3140
Area Harvested	2900	2900	2900	2900	0	2900
Trees	283500	283475	283500	283450	0	283440
Beginning Stocks	5	43	5	39	5	37
Production	2150	2150	2100	2100	0	2300
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2155	2193	2105	2139	5	2337
MY Exports	13	4	13	2	0	5
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	2137	2150	2087	2100	0	2290
Food Use	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
Total Dom. Consumption	2137	2150	2087	2100	0	2290
Ending Stocks	5	39	5	37	0	42
TOTAL DISTRIBUTION	2155	2193	2105	2139	0	2337
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	2	0	2	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

After declining two consecutive years, copra production is expected to increase in MY03/04. Although the United Coconut Association of the Philippines, Inc. (UCAP) expects copra production to decline in CY2003 from the previous year, recovery is likely to start beginning in the second half of MY03/04. This is consistent with coconut tree biological makeup which takes at least two years to fully recover from heavy stress, according to the UCAP. This is the main reason for the production decline in MY02/03 and not the predicted El Nino weather disturbance the effects of which were very mild.

Copra export figures for MY01/02 and MY02/03 were adjusted based on actual and preliminary estimates from UCAP. Copra exports and copra crush in MY03/04 are expected to be higher than the previous year's levels due to improved copra supply.

PSD Table						
Country	Philippines					
Commodity	Meal, Copra	(1000 MT)(PERCENT)				
	Revised	2001	Prelim.	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	2137	2150	2087	2100	0	2290
Extr. Rate, 999.9999	0.32335	0.318605	0.325827	0.316667	0	0.318777
Beginning Stocks	150	126	76	174	0	199
Production	691	685	680	665	0	730
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	841	811	756	839	0	929
MY Exports	600	472	540	460	0	575
MY Exp. to the EC	315	174	290	210	0	230
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	0	0	0	0	0	0
Feed Waste Dom. Cons.	165	165	165	180	0	185
TOTAL Dom. Consum.	165	165	165	180	0	185
Ending Stocks	76	174	51	199	0	169
TOTAL DISTRIBUTION	841	811	756	839	0	929
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	318	0	300	0	550
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Copra meal production in MY01/02 and MY02/03 were slightly pared down due to tight copra supplies but is expected to increase as copra production improves in MY03/04. Like copra exports, exports of copra meal were adjusted based on final and preliminary UCAP estimates for MY01/02 and MY02/03. UCAP estimates were likewise used for copra meal exports in calendar years 2002 and 2003.

Total domestic consumption was adjusted upwards in MY02/03 as a result of increased spoilage of more-than-adequate stocks as heavy rainfall was experienced in the middle of 2002. Ending stocks through MY03/04, however, are still expected to remain relatively high although the majority of these stocks are also likely to end up as waste due to spoilage. Copra meal is mainly used as raw material for feeds and for glycerine, a high value material used in the cosmetics, pharmaceuticals and food industries.

PSD Table						
Country	Philippines					
Commodity	Oil, Coconut	(1000 MT)(PERCENT)				
	Revised	2001	Prelim.	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	2137	2150	2087	2100	0	2290
Extr. Rate, 999.9999	0.629855	0.627907	0.629612	0.621429	0	0.622271
Beginning Stocks	38	8	9	13	0	58
Production	1346	1350	1314	1305	0	1425
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1384	1358	1323	1318	0	1483
MY Exports	1100	1070	933	950	0	1080
MY Exp. to the EC	290	428	265	410	0	500
Industrial Dom. Consum	70	70	77	85	0	100
Food Use Dom. Consum.	195	195	300	210	0	235
Feed Waste Dom. Cons.	10	10	9	15	0	20
TOTAL Dom. Consum.	275	275	386	310	0	355
Ending Stocks	9	13	4	58	0	48
TOTAL DISTRIBUTION	1384	1358	1323	1318	0	1483
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	955	0	900	0	1000
Calndr Yr Exp. to U.S.	0	450	0	400	0	450

Minor adjustments were made to coconut oil (CNO) production in MY01/02 and MY02/03 but still show a declining trend mainly due to tightness in copra supply and the corresponding decrease in copra crush. A modest increase in CNO production is predicted in MY03/04 as copra supply is expected to improve.

CNO exports are expected to decline in MY02/03 from the previous year but are likely to increase MY03/04 as a result of increased copra production and consequently copra crush activities. Given the tight supply of CNO next year, the Philippine Coconut Authority (PCA) reportedly expects CNO prices in the world market to peak in 2004 at around \$500 per metric ton C.I.F. from around \$475 per metric ton. Local farmgate prices of copra are also expected to go up and reach P13 per kg. (\$0.25) from the around P10 per kg. (\$0.19).